



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: Danbury Hospital

Docket Number: 05-30452-CON

Project Title: Termination of Methadone Maintenance Treatment Program

Statutory Reference: Section 19a-638, Connecticut General Statutes

Filing Date: September 1, 2005

Decision Date: October 5, 2005

Default Date: November 30, 2005

Staff: Laurie K. Greci

Project Description: Danbury Hospital (“Hospital”) proposes to terminate its Methadone Maintenance Treatment Program at no associated capital expenditure.

Nature of Proceedings: On September 1, 2005, the Office of Health Care Access (“OHCA”) received the Hospital’s Certificate of Need (“CON”) application seeking authorization to terminate its Methadone Maintenance Treatment Program on its campus at 24 Hospital Avenue, Danbury, Connecticut. The proposal has no associated capital expenditure. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A notice to the public concerning OHCA’s receipt of the Hospital’s Letter of Intent was published on March 19, 2005, in *The News-Times* (Danbury). OHCA received no responses from the public concerning the Hospital’s proposal.

OHCA’s authority to review and approve, modify or deny this proposal is established by Section 19a-638, C.G.S. The provisions of this section, as well as the principles and

guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need

Impact on the Hospital's Current Utilization Statistics

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region

1. Danbury Hospital ("Hospital") is an acute-care hospital located at 24 Hospital Avenue, Danbury, Connecticut. *(June 27, 2005, Initial CON Submission, Attachment V)*
2. The Hospital's primary service area includes the following Connecticut towns: Bethel; Brookfield; Danbury; New Fairfield; Newtown; Redding; and Ridgefield. *(June 27, 2005, Initial CON Submission,, page 2)*
3. The Hospital's secondary service area, specifically for the proposal, includes the Connecticut towns¹ of Kent, New Milford, Sherman, Southbury, and Woodbury and the New York towns of Brewster and Carmel. *(June 27, 2005, Initial CON Submission,, page 2)*
4. The Hospital currently offers the following behavioral health services:
 - Inpatient psychiatric services;
 - Outpatient psychiatric clinic services;
 - Psychiatric partial hospital program;
 - Psychiatric intensive outpatient treatment programs;
 - Crisis intervention program;
 - Child and adolescent outpatient treatment program;
 - Methadone maintenance treatment program; and
 - Electroshock therapy.*(June 27, 2005, Initial CON Submission, page 2)*
5. The Hospital proposes to terminate its Methadone Maintenance Treatment Program. ("methadone program"). The Hospital is currently the only provider of a methadone program in the proposal's service area. The program has received funding through a grant given by the Department of Mental Health and Addiction Services ("DMHAS"). *(June 27, 2005, Initial CON Submission, page 4)*
6. DMHAS issued a Request for Proposal ("RFP") in anticipation of the termination of the Hospital's methadone program. On June 12, 2002, DMHAS notified Connecticut Counseling Centers, Inc. ("CCC") that it had been granted the right to negotiate a contract to provide an opioid treatment program. *(June 27, 2005, Initial CON Submission, Attachment I)*

¹ Roxbury is included the secondary service area, but had no units of service in FYs 2002, 2003, and 2004.

7. On July 24, 2003, the Hospital's Board of Directors accepted the plan to terminate the methadone program and transfer the clients to another program. *(June 27, 2005, Initial CON Submission, Attachment VII)*
8. The Hospital proposes to transfer its clients to CCC. The Hospital stated that the transfer will lead to an expansion of the service. The program's client volumes, available hours, clinical support services, and increased access to methadone treatment will be expanded under CCC. *(June 27, 2005, Initial CON Submission, page 5)*
9. The Hospital's methadone program has had an average daily census of approximately 100 clients. During the past 12 months the Hospital treated 133 clients for opiate dependency with 33 discharges and 30 admissions. During the past year, the Hospital has dispensed 35,685 doses of methadone. *(June 27, 2005, Initial CON Submission, page 2)*
10. The Hospital reported the following units of service for the methadone program for the past three Fiscal Years ("FY"):

Table 1: Methadone Program Utilization for FYs 2002, 2003, and 2004

Service Area	FY 2002		FY 2003		FY 2004	
	# of Clients	# of Visits	# of Clients	# of Visits	# of Clients	# of Visits
Bethel	7	864	8	778	8	532
Brookfield	10	932	5	938	4	413
Danbury	113	15,477	99	13,443	103	12,061
New Fairfield	5	551	6	660	9	522
Newtown	10	619	9	985	15	1,644
Redding	4	393	5	675	4	188
Ridgefield	2	386	2	217	9	198
Primary Towns Subtotal	151	19,222	134	17,696	152	15,558
CT Secondary Towns Subtotal	21	2,151	22	1,553	29	2,418
NY Secondary Towns-Subtotal	3	422	4	388	3	560
Towns outside Service Area	21	1086	8	455	12	362
TOTAL	196	22,881	168	29,892	196	19,878

(June 27, 2005, Initial CON Submission, page 4)

11. Within the Memorandum of Understanding established with CCC on July 19, 2005, the following agreements were listed:
 - The Hospital will continue to provide the methadone treatment to clients;
 - The Hospital will continue to admit new clients to the program until the transition is complete; and
 - CCC will obtain the necessary permits and licensure to operate a methadone program.

(September 1, 2005, Completeness Response, page 4)
12. The Hospital agreed to the following transition plan:
 - Send a letter concerning the transition to CCC approximately 90 days prior to transition;
 - Send an announcement letter 60 days and 30 days prior to transition;
 - Obtained signed releases from clients for the transfer of medical information and insurance information;
 - Provide directions and telephone numbers for CCC;
 - Provide each client with date to transfer to CCC;
 - On day of transfer provide medication in the morning and then send records to CCC;
 - Confirm that clients have been enrolled by CCC; and
 - Complete discharge notes and close client record.

(September 1, 2005, Completeness Response, page 5)
13. As part of the Memorandum of Understanding, CCC will accept job applications from the Hospital's methadone program staff and give preference to these applicants where possible. *(September 1, 2005, Completeness Response, page 7)*
14. CCC received a Certificate of Occupancy from the City of Danbury's building official, issued on July 29, 2005, for its property located at 60 Beaverbrook Road. *(September 1, 2005, Completeness Response, page 7)*
15. CCC received a Certificate of Compliance from the City of Danbury's zoning enforcement office, issued on July 29, 2005, for its property located at 60 Beaverbrook Road. *(September 1, 2005, Completeness Response, page 7)*
16. The Hospital's methadone program is certified by the federal Substance Abuse and Mental Health Services Administration until October 12, 2005. The Hospital stated that it will reapply for accreditation for an additional year to prevent disruption of service to the clients in the program. *(September 1, 2005, Completeness Response, page 2)*
17. The Hospital stated that CCC would be able to obtain the required licensure and certifications to provide the methadone program on or before September 30, 2005. *(September 1, 2005, Completeness Response, page 2)*
18. On August 5, 2005, OHCA provided an exemption to the Certificate of Need process to CCC to establish a methadone maintenance program, an ambulatory detoxification

program, and an outpatient treatment program for substance abuse at 60 Beaverbrook Road, Danbury. (*August 5, 2005, OHCA Docket 05-30489-DTR, page 2*)

**Impact of the Proposal on the Interests of Consumers of Health Care Services
and Payers for Such Services
Financial Feasibility of the Proposal and its Impact on the Hospital's Rates
and Financial Condition
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

19. There are no capital expenditures associated with this project. (*August 25, 2003, Initial CON Submission, page 1*)
20. The proposal will eliminate the methadone program's annual operating loss. The Hospital projects a gain from operations of \$145,948, \$165,714, and \$185,501 for FYs 2006, 2007, and 2008, respectively. (*June 27, 2005, Initial CON Submission, Attachment X*)
21. The Hospital's payer mix for FY 2004, based on net revenue, is presented in the table below. The Hospital projected that the payer mix would remain the same through FY 2008.

Table 2: The Hospital's Payer Mix for FY 2004

Payer Description	Payer %
Medicare	31.6
Medicaid	5.7
TriCare	0
Total Government	37.3
Commercial Insurers	60.9
Self-Pay	1.8
Workers Compensation	0
Total Non-Government	62.7
Uncompensated Care	0
Total Payer Mix	100

(June 27, 2005, Initial CON Submission, page 13)

22. The State of Connecticut Department of Social Services provides entitlements for the majority of clients treated in the methadone program in the form of SAGA or Title 19 coverage.² The Hospital stated that CCC, as a community-based program, will receive a higher reimbursement. Also, the Hospital stated that CCC's overhead and operating costs will be lower than the Hospital's costs. (*June 27, 2005, Initial CON Submission, page 14*)

² SAGA is the State of Connecticut general assistance program for adults. Title 19, also known as Medicaid, is the State of Connecticut health care program for qualified low income residents.

23. The balance of cash and cash equivalents for the Hospital as of June 27, 2005, was \$104,913,000. *(June 27, 2005, Initial CON Submission, page 11)*
24. There is no State Health Plan in existence at this time. *(June 27, 2005, Initial CON Submission, page 2)*
25. The Hospital stated that this proposal is consistent with the Hospital's long-range plan. *(June 27, 2005, Initial CON Submission, page 2)*
26. In the past year, the Hospital has undertaken energy conservation and group purchasing in order to improve productive and contain costs. *(June 27, 2005, Initial CON Submission, page 6)*
27. This proposal will not result in changes to the Hospital's teaching and research responsibilities. *(June 27, 2005, Initial CON Submission, page 10)*
28. There are no distinguishing characteristics of the Hospital's patient/physician mix. *(June 27, 2005, Initial CON Submission, page 10)*
29. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(June 27, 2005, Initial CON Submission, Attachment II)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for the proposed service on case by case basis. Certificate of Need (“CON”) applications do not lend themselves to general applicability due to a variety of complexity of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposed services.

Danbury Hospital (“Hospital”) proposes to terminate its Methadone Maintenance Treatment Program (“methadone program”). As a result of the Hospital’s desire to terminate its methadone program, the Department of Mental Health and Addiction Services (“DMHAS”) issued a Request for Proposal to find another provider that would offer the program. On June 12, 2002, Connecticut Counseling Centers, Inc., (“CCC”) was granted approval from DMHAS to negotiate a contract to offer programs to treat opioid addiction.

CCC has already been granted authorization from OHCA to establish a methadone maintenance program, an ambulatory detoxification program, and an outpatient treatment program for substance abuse at 60 Beaverbrook Road in Danbury. Under a Memorandum of Understanding between the Hospital and CCC, the Hospital will continue to provide the service until CCC has obtained the necessary permits and licensure.

Based on the utilization statistics reported by the Hospital, clients from Danbury made up 57.7%, 58.9%, and 52.6% of the Hospital’s methadone program clients in FYs 2002, 2003, and 2004, respectively. Clients from towns located within the program’s primary service area made up 77.0%, 79.8%, and 78.3% of the program’s clients in FYs 2002, 2003, and 2004, respectively. With CCC locating its new programs within the same town, existing clients and new clients will have the same access for service that had been available at the Hospital. OHCA, therefore, finds that there will be no negative impact to patient access to quality services.

In addition to access, the quality of the programs offered at CCC will be similar to those provided by the Hospital. Personnel from the Hospital will be given preference, if possible, for openings at CCC. It is likely that counselors and other staff members will transfer to CCC. Based on the above, OHCA finds that the Hospital’s proposal to terminate the methadone program and transfer clients to CCC will continue to provide clients with access to needed substance abuse services.

There are no associated capital expenditures with the proposal. The Hospital projects a gain from operations of \$145,948, \$165,714, and \$185,501 for FYs 2006, 2007, and 2008, respectively.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Danbury Hospital to terminate its Methadone Maintenance Treatment Program at no associated capital expenditure is hereby GRANTED.

Order

Danbury Hospital is hereby authorized to terminate its Methadone Maintenance program at 24 Hospital Avenue, Danbury, Connecticut, at no associated capital expenditure, subject to the following conditions:

1. The Hospital shall not terminate the Methadone Maintenance Treatment Program until Connecticut Counseling Centers, Inc.'s Methadone Maintenance Treatment Program, located at 60 Beaverbrook Road in Danbury, has obtain all necessary licensure and is able to accept the clients in the Hospital's Methadone Maintenance Treatment Program. The Hospital shall provide OHCA with verification that Connecticut Counseling Centers, Inc.'s Methadone Maintenance Treatment Program has been established, within sixty days of establishment.
2. The Hospital shall provide OHCA with a copy of the accreditation renewal obtained from the federal Substance Abuse and Mental Health Services Administration.
3. The Hospital shall provide OHCA documentation that the transition plan, as outlined in Finding of Fact Number 12, was implemented. Such documentation shall include a copy of the standard letter sent to patients 90, 60, and 30 days prior to the transition. A letter should also be filed with OHCA by Danbury Hospital that attest that each step of the transition plan has been fully and successfully implemented. Such letter should be filed with OHCA within sixty days of full implementation.
4. The Hospital will transfer the medical records of those clients wishing to continue their Methadone Maintenance Treatment Program at Connecticut Counseling Center, Inc.
5. There is no capital expenditure associated with the proposal. In the event that the Applicant learns of potential costs, the Applicant shall file with OHCA a request for approval of the revised budget.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

October 5, 2005

Signed by Cristine A. Vogel
Commissioner